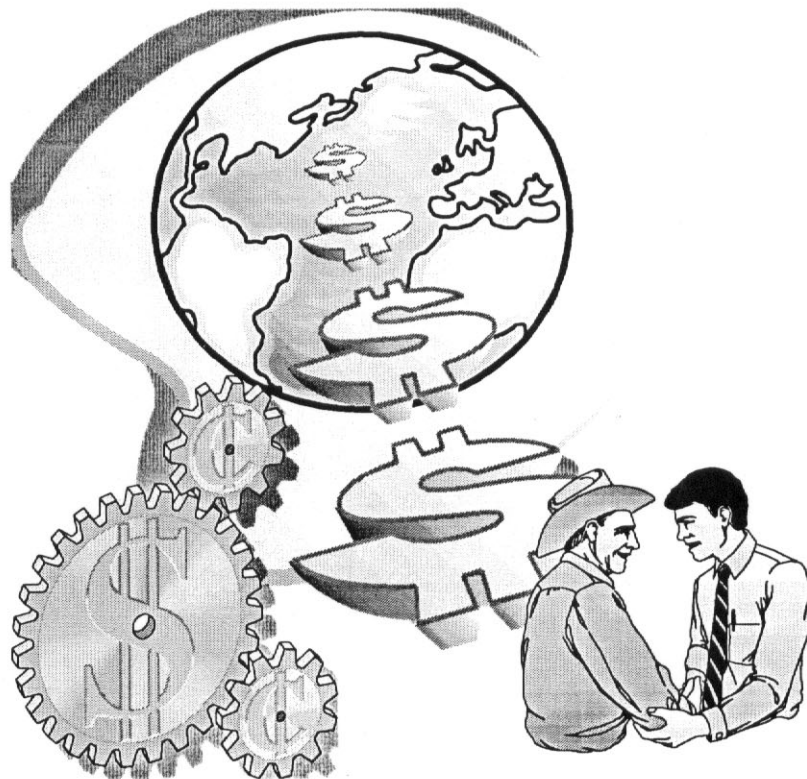


**R RURAL  
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I INSTITUTE**

**STIMULATING RURAL INVESTMENT  
WAYS AND MEANS  
COMMUNITY DEVELOPMENT CORPORATIONS**



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**STIMULATING RURAL INVESTMENT  
WAYS AND MEANS  
COMMUNITY DEVELOPMENT CORPORATIONS**

by

**Michael Hill and Wayne Cole  
SRP Management Consulting Associates**

and

**Richard Rounds  
Rural Development Institute**

**The Rural Development Institute  
Brandon University**

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**The views contained herein are those of the authors and do  
not necessarily represent the views of the Province.**

## PREFACE

Many government programs are instituted to assist rural people and communities in efforts to enhance rural development. The establishment of Community Development Corporations, combined with support programs such as the Community Works Loan Program, was designed to provide not only a framework for community economic development, but also governmental support to initiate development efforts. The goal is to encourage Manitoba communities to invest in, or invest more in, rural business opportunities. This research project is designed to improve understanding of the key factors useful in assisting CDCs to stimulate community economic development.

This is the second project in which RDI has worked with SRP Management Consultants. Their dedicated effort and genuine concern for rural development have made these partnerships productive. We thank Wayne Cole, Michael Hill and their staff.

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## EXECUTIVE SUMMARY

### Project Objective

The primary objective of this project is to identify and define practical ways for Community Development Corporations (CDCs) to develop, and increase, their leadership role. The goal is to get rural Manitoba communities to invest in, or invest more in, rural business opportunities (tourism, business and industry), and to better prepare them for planning and managing the rural business development process.

### Proposed Outcome

The outcome of this project is an improved understanding of key factors useful in allowing CDCs to stimulate a healthy business development initiative, and provide CDCs a better understanding of how to:

- » Start, build, and maintain a successful CDC;
- » Integrate the CDC into broader economic actions;
- » Foster CDC alliances and partnerships;
- » Track and measure CDC performance; and,
- » Motivate and sustain involvement by essential stakeholders.

This project provided participants an opportunity to learn from each other, and to discover:

- » How successful CDCs have tailored the application of basic economic and business development principles to their communities;
- » How to create local enthusiasm;
- » How the community can take ownership in the process; and,
- » The real benefits a determined business development program can provide.

### Methods

1. Telephone interviews were conducted with a selected cross-section of CDCs, appropriate Rural Development staff, and economic development proponents to:
  - » Identify actions each has taken;
  - » Document causal factors;
  - » Identify local dynamics;
  - » Document activity results; and,
  - » Identify factors that are common to results achieved.
2. A workshop was facilitated to help CDCs crystallize the issues and barriers they face, and to identify common strategies that can be used in overcoming such barriers.

### Research Findings Overview

The workshop and surveys provided information from key stakeholders about the conditions, challenges, and potential futures for CDCs. The design and execution of the survey research and workshop discussion processes contributed to the collection of performance information, proponent

perceptions, and action priorities that capture key elements of a successful CDC model. This framework provides a foundation for the rural business development process.

## Project Participants

The CDC proponents who participated in this project were consistently enthusiastic about the potential of their CDC initiative to make a difference in their community. There was a uniform appreciation for the increased importance of communities taking more individual initiative to advance the economic well-being of their respective regions. While many spoke of the need for the provincial and federal governments to do more to assist them, there was a clear appreciation of the fact that governments at all levels do not have an abundance of resources available. There was a good understanding that well-planned, carefully executed, and narrowly targeted programs are proving to be more effective.

Although there were some very experienced and highly confident CDC participants, on balance most CDC proponents lack the seasoned experience and training required to design and launch complex economic development programs. Few have any formal training, and many have not had the opportunity to work directly with experienced economic development professionals. Throughout the course of this project, proponents demonstrated a keen interest in learning from each other's experiences.

## The Model Framework

While every community should be encouraged to create its own unique vision for economic development, the workshop participants were asked to define a general statement of the mission, or purpose, for a model CDC. This process required that they consider the following factors:

- » What does a CDC provide?
- » To whom?
- » Under what unique circumstances?

The results of this exercise were summarized into the following mission statement:

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***To provide an environment in which planned business and community economic development is fostered, guided, and encouraged in order to help improve the quality of community life.***

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By identifying those factors that participating CDCs considered most important, essential to the mission statement, most likely to receive a commitment of resources, and most likely to be a priority issue, it is possible to build the framework for a model CDC. This framework is the beginning of a process that could be used to define the ideal character and focus of a successful CDC. What has been captured in this exercise, at this time, are those factors which reflect the current state of the participating CDCs. As time and circumstances change, these factors could also change. The following listing has been taken from the combined survey and workshop results:

## Primary Functions

- a) Provide business assistance and support for new and expanding businesses.
- b) Provide a liaison service for economic activities and related agencies.
- c) Maintain a current awareness of regional activities, market trends, economic development statistics, and business opportunities.



- d) Promote business opportunities and economic benefits for both internal and external audiences.
- e) Identify and encourage development of strategic alliances and partnerships that can accelerate economic development.
- f) Identify and help access investment capital as required to facilitate economic development.

### **Activities**

- a) Prospect for opportunities that will allow existing businesses to grow, and new ones to start.
- b) Evaluate and assess the environment for community economic development and business growth.
- c) Develop and distribute promotional materials and undertake public relations activities that promote the region.
- d) Help new and existing businesses secure investment and operating capital to meet their needs.
- e) Provide other business and community development assistance.

### **Outcomes and Performance Measures**

- a) The number of new business assistance applications.
- b) The number of new business prospect inquiries.
- c) Growth in population.
- d) The number of new or expanded companies.
- e) The number of new economic development partnerships and alliances.

### **Community Investment Prerequisites**

- a) Informal community networking.
- b) Local job creation potential.
- c) Sufficient information to make an informed decision.
- d) Active local project champion or promoter.

### **Barriers**

- a) Limited local investor participation.
- b) Ineffective Board composition and poor participation.
- c) Lack of cohesive multi-level government support.
- d) Limited access to risk capital.

### **Critical Success Factors**

- a) Common vision among key stakeholders.
- b) Strong community support.
- c) Clear local focus and value contribution.
- d) Adequate human resource skills.
- e) Adequate industrial facilities and services.



## Strategic Considerations

Manitoba Rural Development (MRD) has a number of activities that form a comprehensive program for enhancing and supporting rural economic development. For the purposes of this study, these combined activities are referred to as 'the Program'.

The following suggestions are practical ways for how the Program can help CDCs develop and increase their leadership role in a community, and accelerate rural economic development:

### Document the Model

CDC proponents contacted during the course of this project all expressed a keen interest in learning more about the 'economic development' process and about 'what their counterparts are doing' in other communities. In many cases, one of the underlying motivations for this interest is the *lack of experience* many CDC proponents have in making things happen in a planned and orderly form. While this is not a criticism of anyone's competency or ability, it does speak to the general lack of formal training among CDC proponents.

Many would benefit from a well-documented CDC model that could help guide the development of a CDC with the following sample documents:

- » Typical CDC organizational structure and position accountabilities
- » Board structure and governance guidelines
- » Objectives and guiding principles
- » Action plans
- » Project evaluation guidelines
- » Reports that track progress
- » Contract and agreement forms
- » Project announcement and public relations materials

### Training and Coaching

To further enhance CDC performance and success within the province, MRD should also consider the development of an ongoing program to help train and coach CDCs. This could include providing help and guidance in areas such as:

- » Understanding the entrepreneurial spirit
- » Market opportunity evaluation
- » Financial evaluation and risk management
- » Management (team) evaluation
- » Business planning
- » Cash flow management

This assistance could be provided in the form of workshops, seminars, and printed materials.

## **The MRD/CDC Relationship**

A number of post-project discussions were completed to help measure the general 'receptivity' of CDC proponents to the idea of a more proactive level of support and assistance from MRD. Those CDC proponents contacted during this process all had a high regard for the MRD program representatives, and felt that they could benefit directly from more help and guidance in their work. Some felt somewhat isolated in their positions and were enthusiastic about the notion of having an increased contact with their peers and the MRD. Others felt that the CDC/MRD relationship should be more of a proactive partnership in which the MRD facilitated and guided the CDC processes in areas of clear common interest.

### **a) Program Communication**

Based on the general flavor of the comments and interests of the CDC proponents involved in this project, there would appear to be an opportunity to increase the level of communication between the Program and the CDCs. This increased level of communication could take the form of newsletters, fax information sheets, information update reports, face-to-face visits, and regional conference calls or luncheons. The primary objective of this communication process would be to help accelerate and solidify the economic development processes by increasing peer-to-peer communication and networking, increasing CDCs access to resource materials on economic development issues, and assistance in identifying and reducing barriers to progress.

### **b) Program Positioning**

In the course of building and expanding the existing MRD/CDC relationship into the future, it will be important that Program representatives reinforce the understanding that their role is to help guide and assist the CDCs in the economic development process. Care should be taken to ensure that the MRD does not assume , and is not seen to be assuming, responsibility for designing, leading, or executing any of the economic development strategies and actions of CDCs. The community must continue to accept the 'first line' of accountability for community economic development. The MRD should be positioned as a valuable source for knowledge and information on economic development, a facilitator for helping CDCs network, and as a guide and training resource for economic development principles and strategies.

Respondents were asked about the kinds of business development initiatives the CDCs were undertaking. Specifically, CDC representatives were asked two things. First, from a checklist of fifteen different business development activities, representatives were asked whether or not their organization had participated in each activity within the past three years. Second, respondents were asked whether they were aware of Community Lending Programs and, if so, whether their community had such a program, and what the benefits were.

To assess the level of participation in business development activities, we used a 65 percent cut-off. That is, if 65 percent or more of the CDCs had participated in a specific business development activity, that activity was rated as prevalent among CDCs.

Using this criterion, only six of the fifteen business development activities were found to be prevalent among the CDCs. For the remaining nine business development activities, only about half of the CDCs were participating in each of these particular efforts to bring more business to their communities.

The level of awareness of Community Lending Programs was high, with all communities except one being informed of the existence of these programs. Not only was awareness high, but also participation, with over 70 percent of the CDCs reporting they had a Community Lending Program. Many benefits of these lending programs were noted, most of which centered on their usefulness in providing the capital necessary for business expansion or relocation.

## **Business Development Outcomes**

Ultimately, the success or failure of CDCs will to be judged on what actual difference they make to improving the business base in the community. This section of the questionnaire collected information on what specific business improvements resulted from CDC initiatives.

The survey asked CDC representatives about two aspects of business development outcomes. First, from a list of eight outcomes that would indicate signs of business development, respondents were asked which measures in their communities had shown substantial improvement within the last three years. Second, for those measures where substantial improvement was indicated, respondents were asked to indicate whether or not this improvement related to CDC initiatives.

More than 60 percent of the CDCs reported substantial recent improvement within their communities for five of the eight indicators. For two of the other business development indicators, between 40 and 50 percent of the communities reported substantial improvement. It was only for the indicator "population growth" that a modest proportion of the communities (28%) reported substantial improvement. In total, communities generally are reporting significant improvement in business development outcomes within the past three years<sup>2</sup>.

Respondents were asked whether or not their CDCs played a significant role in bringing about these business improvements. For five of the eight indicators of improved business development, substantial majorities of the CDCs (60% or more) reported they had played a major role in bringing about the outcome. With respect to improvements in New Business Assistance Applications, 100 percent of the CDCs attributed this improvement to their efforts. For two of the remaining measures of improved business activity, substantial proportions (40-50%) of the CDCs reported that they played an important part in improving their community circumstance. Overall, these results indicate

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<sup>2</sup> Only key findings are reported here. Detailed analysis is presented in the discussion section beginning on page 17.

that the CDCs believe the recent substantial improvements in business development outcomes in their communities were significantly assisted through the CDCs efforts.

## Community Investment

One objective of Manitoba Rural Development is to have more of the investment money of rural Manitobans directed into the rural economy. Accordingly, for those CDCs that have generated business development, it is useful to know two things:

- » whether the funding came from local or outside investors, and
- » the characteristics of the investments.

The fourth section of the questionnaire collected this information.

Given that new business development within a community often involves substantial capital investments, CDC representatives were asked about whether their community had recently attracted business that required third-party investments to get started, whether a substantial proportion of such funding came from local investors, and how they would characterize the nature of these investments<sup>3</sup>.

In response, it was determined that third party investments were required in 80 percent of the communities and that, in 58 percent of these cases, substantial funding came from local investors. Most respondents characterized third-party investments as having the following traits: reliance on informal networking rather than formal marketing; the use of a local rather than external promoter; decisions based on adequate rather than limited information; prospects of significant local job creation. The respondents were split in terms of whether these investments involved low or high risk, and low or high community pride.

## Overall Assessment

This section of the questionnaire collected information to determine local perception of the CDCs' overall effectiveness. Respondents were asked the following question: "All things considered, how successful would you say your Community Development Corporation has been in fulfilling its mandate?" This question yielded mixed responses, with only two thirds rating their CDC as even moderately successful.

## Local Conditions

The efforts of CDCs are not the sole determinant of whether business development is successful, because they are influenced by other community conditions. Therefore, it is useful to identify the extent to which specific local conditions have facilitated or inhibited the efforts of the CDCs. This information is useful in determining the circumstances that affect the operations of a CDC.

In an attempt to understand how the success of CDCs is affected by local community conditions, respondents were asked to rate the importance of six factors to the overall success of their operations. All of the factors were rated by strong majorities of respondents (70-80 percent) as important local conditions contributing to CDC success. These important local conditions included

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3 Only key findings are reported here. Detailed analysis is presented in the discussion section beginning on page 19.



a local rather than regional focus, a common vision among key stakeholders, sufficient community support, adequate human resources, industrial facilities and services, and the presence and active participation by other parallel agencies in the community.

## **Suggested Improvements**

Understanding what local stakeholders perceive to be the important changes for increasing the efficiency and effectiveness of their CDC can be useful information for future policy development. Respondents were asked to rate how much their operations could benefit by improvements on various dimensions. In all cases, substantial majorities (more than 60 percent) of respondents believed their CDC could be significantly improved by better board composition and participation, more participation by local investors, improved provincial and federal government participation, and regional partnerships and alliances.

## **Key Research Findings - MRD Program Sample**

### **Overview**

The Manitoba Rural Development includes several individuals whose responsibilities, to one extent or another, involve either working with Community Development Corporations or making policies that affect these organizations. To effectively assist CDCs in their development, it is useful for provincial representatives to have an accurate understanding of CDCs' circumstances and views.

To gain a sense of how well provincial officials' perceptions of CDCs are matched with the conditions reported by these agencies, three government representatives were asked to estimate how the CDC representatives would answer the questions on the survey. The average responses collected from the CDC representatives, as well as the estimations provided by Program representatives, are detailed in the "Comparative Response Summary", which reports the average of the CDC representatives' findings as "CDCs" and the average of the officials estimates as "Program" (see page 33).

The survey of provincial officials is based on the same questionnaire used to collect information from CDC representatives. Comparing the officials' estimates with the CDC survey findings provides insight into the degree of fit between the views of these two groups. For each part of the survey questionnaire, the following sections summarize the degree of alignment between the provincial representatives' estimates and the actual CDC reports.

### **Functions of CDC**

The provincial officials underestimated the importance that the CDCs actually placed on five of the nine CDC functions covered in the survey. The officials accurately estimated the importance of two functions and overestimated the importance the CDCs ascribed to two other activities. In general, however, the Program seems to have a reasonable understanding of the value CDCs place on various goals, since most of their estimates were within 0.5 of the actual CDC responses (on a 7-point scale).

## **Business Development Activities**

In estimating the percentage of the CDCs who practiced the 15 business development activities included on the survey, the officials routinely underestimated the actual levels of participation. For 13 of the 15 activities, officials' estimates were in error by more than 10 percent. These findings suggest that provincial representatives do not have a keen awareness of the level of business development activity being promoted by the CDCs.

By contrast, the officials' level of understanding about CDCs awareness of, and participation in, Community Lending Programs was more accurate. On these accounts, the officials made accurate predictions of actual circumstances of the CDCs.

## **Business Development Outcomes**

This section of the survey listed eight indicators of business improvement, and asked CDC representatives to report on whether their communities showed recent substantial improvement on each of these signs, and, if so, whether CDCs played a significant role in the outcome. The provincial officials' estimates were not accurate with respect to improved levels of business activity. For five of the eight measures, officials provided noticeable underestimates of the actual situation; only for three measures were their estimates within 10 percent of the actuals. These findings suggest that provincial representatives may not be well-informed about the actual state of business activity in the communities where CDCs are operating.

There was a similar level of discomformity between the CDC's reports of the role their agencies played in generating positive business outcomes and the officials' estimates of their role. In all cases, the officials substantially underestimated the perceptions reported by the CDC representatives.

## **Community Investment**

When officials were asked about third party financing for local business development, they substantially underestimated both the reported level of such activity and the participation of local investors. Likewise, the officials were not able to characterize the nature of the investments being made in local communities.

## **Overall Assessment**

In contrast to the specific considerations above, the provincial officials' rating of the reported overall success of the Community Development Corporations was very accurate. This finding suggests that they have a better appreciation of the overall picture than of specific details.

## **Local Conditions**

When asked to estimate how important CDCs would rate various local factors as contributing to success, government officials overestimated the stated importance of several factors. However, their overestimates typically were not too divergent from the actual findings (usually within 0.5 on a 7-point scale). In general, then, it appears that government representatives have a reasonably good sense of the perceived importance of local conditions as they contribute to the success of CDC activities.



## Suggested Improvements

Officials overestimated the perceived importance of all five factors included on the survey that were rated for their significance in contributing to improved efficiency and effectiveness of CDCs. Often these overestimates were different by a wide margin, which suggests that officials may think that greater improvements can be made to CDC operations through adjustments to these various factors than local representatives believe is the case.

## Implications

These comparisons should be interpreted with caution. First, provincial officials were being asked to estimate averages, which is difficult to do when there is substantial variation among the circumstances of the 15 CDCs. Second, the three provincial officials varied in terms of their "closeness" to the field. Some officials have closer contact with specific CDCs than with others, and average estimates will be affected.

In total, however, the comparisons reveal an overall pattern worthy of further consideration. The pattern in the provincial officials' predictions is that their ability to estimate actual CDC results lessens when asked about more specific circumstances. For instance, provincial officials did well in estimating such things as the functions of CDCs, their use of Community Lending Programs, their overall assessment of success, and the importance of various local conditions. By contrast, their estimates were poorer for issues such as the actual business development initiatives being pursued, the kinds of business development occurring in the communities, the role of CDCs in such outcomes, the amount and kind of community investment, and the potential importance of various kinds of interventions. Their general appreciation of CDCs' circumstances is probably adequate concerning the types of assistance offered. However, other kinds of CDC support will require a more detailed understanding of local circumstances and conditions than currently indicated for provincial officials.

## Model Components From Survey

### Application of Findings to a Model

By identifying those factors that participating CDCs considered most important and most likely to receive a commitment of resources, it is possible to build the framework for a model CDC. This framework is the beginning of a process that could be used to define the ideal character and focus of a successful CDC. It should not be assumed that those items covered in the survey that have *not* been included in this listing of components are not important. What has been captured in this exercise, at this time, are those factors which reflect the current state of the participating CDCs. As time and circumstances change, these factors also could change.

The following listing has been taken from the survey results. A similar exercise has been conducted with the results of the Workshop. These results have been combined in the Executive Summary of this report.

## **Primary Functions of a CDC**

- Provide business assistance and support for new and expanding businesses.
- Provide a liaison service for economic activities and related agencies.
- Maintain a current awareness of regional activities, market trends, economic development statistics, and business opportunities.
- Promote the business opportunities and economic benefits for both internal and external audiences.
- Identify and encourage development of strategic alliances and partnerships that can accelerate economic development.
- Identify and help access investment capital as required to facilitate economic development.

## **Business Development Activities**

- Prospect for opportunities that will allow existing businesses to grow, and new ones to start.
- Evaluate and assess the environment for community economic development and business growth.
- Develop and distribute promotional materials and undertake public relations activities that promote the region.
- Help new and existing businesses secure investment and operating capital to meet their needs.
- Provide other business and community development assistance.

## **Business Development Outcomes and Performance Measures**

- The number of new business assistance applications.
- The number of new business prospect inquiries.
- Growth in population.
- The number of new or expanded companies.
- The number of new economic development partnerships and alliances.

## **Community Investment Prerequisites**

- Informal community networking.
- Local job creation potential.
- Sufficient information to make an informed decision.
- Active local project champion or promoter.

## Local Condition Barriers

- Limited local investor participation.
- Ineffective Board composition and poor participation.
- Lack of cohesive multi-level government support.

## Critical Success Factors

- Strong community support.

## Discussion of Survey Results

A knowledgeable informant was identified in each of 15 communities and both evaluative ratings and open-ended questions were asked in an effort to identify and assess various aspects of CDC structure and operation. This section provides detailed analysis of the responses received.

### Functions of a CDC

CDC representatives were asked to respond to a rating scale for nine roles or functions that a CDC might perform. Ratings were expected to vary according to community conditions and respondents were asked to rate the importance of each function in terms of the actual operations of their CDC.

Average ratings for the nine roles vary only between 2.0 and 2.7, suggesting that all roles are deemed important (Table 1). The range of answers for each role, however, suggests that some CDCs are not involved in, or do not deem significant, at least five of the roles assessed (range 1-7).

Table 1. Respondents' ratings (on a seven-point scale) of the importance of nine aspects of the operation of CDCs in rural Manitoba

CDC Roles	Rating		
	Average	Median	Range
Business assistance	2.0	1	1-5
Liaison	2.1	2	1-4
Monitoring	2.3	2	1-7
Advocacy	2.4	2	1-5
Prospecting	2.4	2	1-7
Research	2.4	2	1-4
Planning	2.5	2	1-7
Promotion	2.7	2	1-7
Community enhancement	2.7	2	1-7

A response of 1 is very important and a response of 7 is not important.

**Business Assistance** to new or expanded facilities, businesses and industry is the highest rated role overall with an average of 2.0 and a median of 1 (Table 1). Supporting new or expanded enterprise, therefore, is viewed as the most critical function of a CDC.

**Liaison** with other agencies involved in CED is a major second role, suggesting that CDCs recognize the important of co-ordinating development efforts in order to achieve success.

Strong support also is evident for staying informed about existing or potential opportunities in their community (**monitoring**), keeping municipal council informed (**advocacy**), encouraging new enterprises to locate in their community (**prospecting**), providing economic analyses of the community to potential investors (**research**) and maintaining an overall CED strategy (**planning**). Wide ranges in ratings again suggest that some communities do not practice these roles, or do not consider them important. Community public relations (**promotion**) and supporting programmes that make the community a more attractive place to live (**community enhancement**) are the lowest rated roles, but still receive average ratings that indicate that these are important functions (Table 1).

## Comments On The Functions of a CDC

General comments concerning the various functions of a CDC were made during interviews. These responses provide information from individual communities on why they rated various roles differently.

### Business Assistance

Only two comments were made concerning the overall highest rated function of business assistance. One respondent said that the community Economic Development Board performed this function and that no one had approached the CDC to become involved. This suggests either a high degree of liaison, or no communications, between the two groups. A comment from another community stated that some assistance to business was occurring through the CWLP.

### Liaison

Six different representatives commented on the role of liaison in their CDC. Four of the six respondents suggested that liaison was not part of their current mandate or operation, or that little co-ordination occurred. Conversely, one community had everyone involved, and another stated that liaison was the "catalyst to all activity." These comments, combined with a high rating (Table 1), suggest that liaison is deemed important, but that it is not occurring in an effective manner in many communities.

### Monitoring

Few communities have a formal structure for maintaining a list of potential and current economic opportunities. Although frequently discussed at Board Meetings, the five communities that offered comments indicated that newspapers and government contacts provided the major sources of information. This suggests that CDCs may need assistance in defining internal community systems to maintain an active list of potential projects if the high rating for this role is to be achieved.



### **Advocacy**

Only three respondents commented on advocacy. One indicated that lobbying local government was unnecessary owing to on-going good relationships. A second community found that municipal council was not business oriented and showed no interest in economic development. A third CDC did not perform the advocacy function on a regular basis. Although considered an important role (Table 1), it appears that CDCs and municipal councils do not work together closely in some communities.

### **Prospecting**

Similarly, four of five CDCs that commented on the role of seeking businesses and industries to locate in their community did not have formal structures to make it happen. Comments included "not proactive", "no full-time person", "not doing much", and "haven't done". In one of the communities an Economic Development Board, rather than the CDC, handled this role.

### **Research**

Three CDCs actively attempted to provide community economic analyses to current and potential investors. The manner in which this is accomplished, however, varies. One CDC hires a summer student to do annual updates, a second uses a prepared community profile, and a third works in conjunction with Manitoba Rural Development. One CDC indicated that nothing was available for their community.

### **Planning**

Preparing and maintaining an overall CED strategy received comments from eight CDCs. Some CDCs have no formal document but do discuss strategy at monthly meetings, informally or on an annual basis. In two communities planning was done routinely, but nothing was ever implemented, while another CDC spent so much time implementing development that little long-term planning was done. Some said that the Community Round Table had established long-term goals, obviating on-going planning. One CDC stated that long-term planning was futile until municipal council became involved. In total, planning is a hit-and-miss function among CDCs, possibly explaining its lower ranking among roles (Table 1). In general, CDCs in small communities experience greatest difficulties in performing this function.

### **Promotion**

Community public relations programs supported by CDCs appear to be weak or non-existent. Two communities place advertisements in local papers or use Community Access TV. One CDC wanted to do a promotion but received no support from other groups. Another community had no program at all.

### **Community Enhancement**

Supporting activities that make their communities better places to live is not viewed as an essential CDC activity. Although considered important in the broad picture of CED, CDCs perceive this to be a general responsibility of all citizens and institutions.

## Business Development Activities

Three questions were asked concerning the activities that CDCs undertake in order to achieve their goals. The first question sought specification of actual activities that occurred during the last three years from a list of 15 activities (open-ended). The second question simply measured perceived awareness of community lending programs. The third question asked for information about specific lending programs in a community and the results that they have achieved.

Responses to questions concerning actual business development activities provide insight into what CDCs really do. Business prospecting is the most universal activity, involving 80 percent of the 15 CDCs in the sample (Table 2). Assessing their community's economic development situation and producing promotion brochures are completed by three out of four CDCs.

Table 2. Business development activities of CDCs during the last three years

Activity	Yes		No	
	#	%	#	%
Business prospecting	12	80	3	20
Assess CED situation	11	73	4	27
Promotional brochures	11	73	4	27
Business assistance - financial	10	67	5	33
Public relations campaigns	9	60	6	40
Business assistance - non-financial	9	60	6	40
Business development liaison activities	9	60	6	40
Economic development advocacy	8	53	7	47
Community enhancement projects	8	53	7	47
CED strategy	8	53	7	47
Economic analysis research	8	3	7	47
Monitoring economic activity	6	40	9	60
Newsletters	6	40	9	60
Define business development potential	5	3	10	67
Conduct case studies	3	20	12	80
Other:				
Community liaison	2	13	13	87
Flood relief program	1	7	14	93
CWLP	1	7	14	93
Serve as leasing agent for town	1	7	14	93

Business-related activities are common. Financial assistance, non-financial assistance and business development liaison activities are common to 60-70 percent of CDCs. Less common activities involve general community economic monitoring and promotion, newsletters and analysis. Clearly, CDCs are designed to enhance business (and industrial) development and concentrate their activities in these areas. Some CDCs identify and perform unusual functions such as serving



as a leasing agency for their community, serving as the main liaison among community organizations, and assisting disaster relief efforts. In some communities, however, CDCs function solely as lenders in the CWLP.

When questioned about their awareness of community lending programs, 14 of the 15 respondents felt that they are aware of available options. Conversely, only 10 of the 15 communities surveyed are involved formally in lending programs. When asked to list the benefits gained through their community lending program the following list was obtained:

- Business creation (n=8)
- Expansion of existing business (n=3)
- Job creation (n=2)
- Improved health care sector (n=1)

Two CDCs stated that it was too soon to evaluate outcomes of their efforts.

Many comments were received relating to the benefits of community lending programs. Most listed specific new ventures within the community or expansion of existing businesses. Community responses varied with the length of time lending programs had been in place and the level of activity within the community. As many as 11 loans had been administered in some communities, one mentioned 5 new businesses and others had assisted expansion of existing enterprises. Businesses ranged from plastics manufacturing and food processing to retail stores and personal services.

Several comments related specifically to the CWLP. In one community CWLP funding had been used to expand two existing enterprises. In another town, three new businesses were funded and two existing businesses expanded. In a third community, a major industry had started small and used initial success to lever significant funding for expansion, and two new ventures were performing well in early development. Among communities, therefore, micro-lending ranged from one or two "significant" examples to many small enterprises. At least two of the 15 sample sites were just starting their CWLP activities.

Challenges also were mentioned. Some communities were having difficulty getting started in that program monies were available but either were not being demanded or people were confused about how to establish guidelines and eligibility. One comment concerned difficulty in administrative workload falling on volunteers.

## **Business Development Outcomes**

There are various signs that the business environment in a community is improving. Business conditions may improve either as a direct result of CDC initiatives or as a result of factors beyond a CDCs control. Representatives of the 15 communities surveyed were asked to respond to a list of outcomes in their community; first, as measures of substantial improvement in general over the last three years, and second, as outcomes in which the CDC played a significant role.

### **Substantial Improvements in the Community**

The most prevalent community business improvement is the expansion of existing enterprises, which is reported in 13 of 15 communities (Table 3). New business inquiries (12 communities), new enterprises and increased employment also are common (11 communities each). These events, however, have increased business tax revenues in only 9 communities (60 percent). Similarly, an increase in applications for assistance for new ventures occurred in only half of the

communities during the last three years. Increased activities generally have not resulted in new partnerships or alliances among development agencies or groups, or an increase in population.

Table 3. Substantial improvement in the community business environment and the CDCs role in making improvements

Improvement	General Community				Substantial CDC Role			
	Yes	%	No	%	Yes	%	No	%
Expansion existing business	13	87	2	13	6	50	6	50
New business inquiries	12	80	3	20	9	82	2	18
New enterprises	11	73	4	27	8	73	3	27
Employment increase	11	73	4	27	6	50	5	50
Business tax growth	9	60	6	40	3	33	6	67
New business assistance applications	8	53	7	47	9	100	0	0
New CDC partnership alliances	6	40	9	60	4	67	2	33
Population growth	4	27	11	73	3	75	1	25

### CDC Role in Business Development

The rank order of the general improvements does not correspond directly to the rank order for outcomes involving CDCs (Table 3). CDCs, however, play a key role in new business inquiries, new applications and new enterprises, suggesting an important function in increasing awareness, prospecting and assisting development. Among the lesser functions provided by CDCs, the fact that new CED partnerships are not evolving in the community implies that CDCs are acting alone in an environment of competition or disorganization among agencies.

### Community Investment

A series of questions relating to investment in new ventures within a community over the last three years was designed to provide information on the number of enterprises, sources of investment monies and factors describing both the nature and outcome of the businesses.

Twelve of the 15 communities involved had attracted at least one business that required third party funding. In 7 of the 12 communities (58 percent) a substantial proportion of the funding came from local investors, while in 5 communities (42 percent) investment sources were mainly external.

Responding CDC representatives evaluated six characteristics of the new businesses (Table 4). Both high and low risk enterprises are involved among new ventures. Available information appears to be adequate in most new business starts, perhaps because local promoters are most commonly involved. The fact that informal networking is more common than formal marketing suggests that most new businesses are either tapping existing markets and/or catering to known local or regional markets.

Table 4. Characteristics and community impact of new businesses in rural Manitoba communities

Characteristic/Impact	Responses	%
<b>Risk Assessment:</b>		
High risk	6	50
Low risk	6	50
<b>Marketing:</b>		
Informal marketing	10	83
Formal marketing	2	17
<b>Promotion:</b>		
Local promoter	9	75
External promoter	3	25
<b>Available Information:</b>		
Adequate	9	82
Limited	2	18
<b>Local Job Creation</b>		
Significant	9	82
Insignificant	2	18
<b>Community Pride</b>		
High	7	58
Low	5	42

Local job creation was deemed significant in 9 of the communities that answered the question. Similarly, community pride was high in more than half of the locations (Table 4).

### Assessment of CDC Performance

A single question was asked to allow CDC representatives to evaluate and comment on the overall performance of their CDC. On a seven-point scale, the average rating was 4.0, representing moderate success. The median value for responses also was 4 and the range varied from 2-6. In total, therefore, no CDC felt that complete success was achieved, most considered their mandate to be moderately fulfilled, and some expressed the view that little success had been achieved. All 15 communities responded to the question.

Five community representatives provided comments relating to their performance evaluations. Three CDC respondents warned that feeling that current efforts are adequate would be a first step toward creating complacency, a factor that can undo previous efforts or thwart community synergism. They also felt that more could be accomplished, even with a proven track record. One respondent said that demands for financial assistance also are accommodating by banks and credit unions, thus reducing the role of the CDC. Another mentioned the fact that the CDC needed a more refined focus on business, rather than a broad CED approach.

A further set of seven questions was designed to provide insight into the local conditions that affect CDC operations. Respondents were asked to rate each variable on a seven-point scale (Table 5).



Table 5. Assessment of CDC performance in rural Manitoba communities

Factor Assessed	Average	Median	Range
Other local conditions*	2.18	2	2-4
Common stakeholder vision	2.47	2	1-6
Local versus regional focus	2.60	2	1-6
Community support	2.60	3	1-4
Human resources	3.07	3	1-5
Parallel agencies	3.60	3	1-6
Industrial/infrastructure/services	3.73	3	1-7

- \* Other local conditions included the following: availability of skilled/active people on CDC (2), transportation capability (2), need broader mandate, flood protection, external stimulus needed to fight complacency, gain financing well in advance, natural gas availability, understanding constituency, remoteness.

The fact that "other local conditions" received the highest overall rating among the seven factors assessed indicates that each community, and therefore each CDC, has unique challenges. Some communities have skilled volunteers to staff CDCs while others do not. Some need a broader focus, suggesting the absence of, or a reduced role by, parallel agencies. Other communities fight complacency, need infrastructure improvements, or face local issues such as flood control or remoteness. If serious enough, these community specific challenges may obviate fulfilment of a CDC's mandate and frustrate efforts. The overall high importance rating and the limited range in responses (2-4) suggest that other local conditions are very important in CDC operations.

Rating of the importance of the six specific factors assessed vary from 2.47 to 3.73 on a seven-point scale, signifying that all play at least a moderately important role in CDCs. The need for a common vision within the community is significant overall, but the range in values suggests that it is not deemed essential in all CDCs. Inspection of the known individual responses indicates that smaller communities have a greater need for common vision than do larger communities. This probably relates to the presence of broader support structures or parallel agencies in larger communities, allowing some trade-offs in responsibilities among groups. Under these conditions, CDCs may be able to focus directly on business aspects of development rather than overall community development.

Local focus is deemed important. This is to be expected in that CDCs are community specific rather than "regional" by design. Community support also is important, with the narrow range of responses (1-4) suggesting that size of community and "other local" factors do not reduce the need for "buy-in" by a broad segment of the community.

Although rated of moderate importance, human resources (in the local labour force) are not as strong a factor as those discussed above. Of even lower importance are the presence of parallel agencies and enhanced infrastructure and business services. As noted above, however, the absence of other agencies involved in community development can lead to other problems. The lower rating for infrastructure signifies either that the 15 communities involved have adequate services, or that CDC personnel realize that infrastructure is "essential but not sufficient" for economic development.

Twelve of the 15 CDCs surveyed offered specific comments relating to local conditions. The need for more volunteers to assist development was mentioned by four community representatives,

and ranged from a need for one or two key people to a general lack of board interest and members. A lack of key personnel appears to relate to a lack of a unified or common vision, as the two factors are frequently mentioned by respondents from the same communities.

Although not rated highly in Table 5, the need for, or role of infrastructure was mentioned by five CDCs (Table 5). Responses range from overall transportation capacity (highway and rail), to a need for natural gas and flood protection.

The constant need to engender community support and unify the CDCs mandate and vision was mentioned by seven CDCs, suggesting that the "human" element of operation is important, and perhaps lagging in many communities. This relates directly to an expressed need to co-ordinate all levels of development by parallel agencies, and to involve all demographic components of the community in recognizing the need for investment (e.g. seniors, youth).

### Suggested Improvements in CDCs

All 15 CDCs interviewed ranked five listed improvements, eight communities listed "other" improvements, and 10 provided comments to the questions. Similar to the case for performance assessment, the "other improvements" category received the highest overall average rating (Table 6). The fact that the range of values for "other" factors is only 1-2 on the seven-point scale suggests that respondents in half of the communities believe the listed "other" improvements would make the greatest impact on CDC operations.

Table 6. Suggested improvements in CDC operations

Improvement suggested	Average	Median	Range
Other improvement*	1.88	2	1-2
Regional partnerships/alliances	2.67	2	1-6
Board composition	2.87	3	1-6
Local investor participation	2.87	3	1-5
Provincial government participation	3.07	3	1-6
Federal government participation	3.13	3	1-6

- \* All "other" responses were specific to one community each: stronger MLA, increased levies from town council, co-operation among agencies, more municipal support, trained EDO, give CDCs responsibility for grow bonds, raise CDC profile in community, need more provincial financial support.

There is, however, no uniformity in response. Each "other" suggested improvement is community specific, supporting the earlier premise that each CDC has unique challenges. Calls for stronger government and community financial backing, co-operation among agencies, better leadership, and greater community support all are important among communities.

Rankings between 2.67 and 3.13 on the five suggested improvements indicate that all would make some difference in operations. Regional partnerships and alliances receives the highest average rating, perhaps indicating that co-operation and co-ordination among communities, rather than competition, would provide general benefit to most CDCs. The fact that two local improvements, board composition and local investor participation, rate higher than increased participation

by senior governments further suggests that internal or regional co-ordination may outweigh the need for "external" support.

The CDC representatives interviewed provided the following comments. They are reported in a paraphrased form to maintain the specificity and provide insight into the issue behind suggested improvements.

- » Not nearly enough communication among communities (regional alliances)
- » Need stronger government representation (stronger MLA)
- » Levies from council have increased - previously not adequate
- » Board should include business people and others re: quality of life
- » Various players must see advantage of working together
- » Need more local investor participation
- » Must increase Board participation
- » Need improved support from municipal level
- » CDCs should control Grow Bonds program
- » Need trained EDOs for leadership
- » Need operational monies from Province for development
- » Federal government programs not working locally
- » Must improve CDC profile within community



## WORKSHOP RESULTS

### Approach and Methodology

To supplement and extend the information collected from the surveys, a one-day Workshop was conducted with CDC representatives and others familiar with CDC operations. While the survey collected information about the current conditions of various CDCs, the Workshop focused on the dynamics of current CDC operations, and on how they could be improved.

Specifically, the Workshop concentrated on identifying the key issues and barriers faced by CDCs at various stages of development. In addition, the Workshop was structured so that CDCs could learn from the mistakes and successes of others. Through cooperative interaction and constructive criticism, the Workshop provided participants with a means for collectively thinking about what needs to be done, and how to proceed in moving their operations to the next level of development.

### Sample Selection

Fourteen participants from eleven different communities attended the Workshop. All participants were actively engaged in the economic development process within their respective communities. Some of the participants had several years of experience in economic development, while others were fairly new to the task. All participants were actively involved in the discussions and contributed toward the Workshop outcome. A list of participants is included in Appendix B.

### Workshop Premise

The basic premise for the Workshop was set out in advance in a letter of invitation sent to all participants (Appendix B). In addition, the Agenda was distributed prior to the Workshop, and contained the following statement of purpose:

***To identify the primary barriers to success as viewed by rural economic development proponents, particularly CDC proponents, and to develop some strategies for overcoming such barriers. Strategies should include a sense of 'who' needs to take 'what' action.***

The Agenda set out a process that allowed the participants to follow a logical critical thinking path for exploring the Workshop objective (Appendix B).

To help guide the discussions and ensure a consistent context for participants' comments, the Facilitator introduced the premise that the group should assume they are helping a new CDC get established. Their comments would then act as a guide for this new CDC.

### Key Research Findings

#### Fundamental Purpose of a CDC

Workshop participants were guided through a discussion of the fundamental purpose of a CDC by being asked to answer a number of questions within the context of their current experience with a CDC, as follows:

- a) When asked to identify **what products and services** a CDC should provide, the responses included:
- ◆ Encouragement for new and existing business
  - ◆ Investment from internal sources
  - ◆ Assistance in accessing external investment funds
  - ◆ Help in creating entrepreneurial culture
  - ◆ Assistance in stimulating independent and non-political partnerships
  - ◆ A regional economic development database
  - ◆ Create a community awareness of issues impacting grass-roots integration
  - ◆ Community support programs
- b) When asked to identify **to whom** these products and services should be offered, the responses included:
- ◆ Regional area - municipalities, etc.
  - ◆ International partnerships
  - ◆ Investors, entrepreneurs, inventors
  - ◆ Existing local businesses
  - ◆ New businesses
  - ◆ Local councils
  - ◆ Elected officials
  - ◆ Tourism proponents
  - ◆ Local citizens
- c) When asked to describe the **unique characteristics** that would distinguish the CDC from other economic development initiatives within the region, the responses included:
- ◆ Access to the Community Works Loan Program (CWLP)
  - ◆ Local decision-making
  - ◆ Reflects unique character of community
  - ◆ Proactive mentoring
  - ◆ Builds links between potential partners
  - ◆ Encourages sectors to work together - celebrates success
- d) When asked to incorporate these factors into a single statement that would define the mission of a CDC, the participants developed two working statements that were summarized into a finished **mission statement**, as follows:
- ◆ Will induce economic development/growth in the community by coordinating, facilitating and promoting economic development activity, which will improve the quality of life for the people in and surrounding the community area.
  - ◆ To create an environment in which community economic development goals, endeavors, and activities are fostered, guided, and encouraged to thrive.

## Mission Statement

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*To provide an environment in which planned business and community economic development is fostered, guided, and encouraged, in order to help improve the quality of community life.*

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## Primary Operational Issues

Workshop participants were asked to identify, discuss, and prioritize, the primary issues or hurdles that the group felt a CDC would need to deal with in order to fulfill the mission. This discussion resulted in a consensus around the following issue definitions:

### Leadership and Board Effectiveness

Most participating CDCs indicated that they have experienced consistent difficulty securing the enthusiastic and regular support of those key business and community leaders in their community who they wish to have as preferred Board members. The implications of this issue include poor attendance, delayed decision-making, Board ineffectiveness, and reduced community support.

### Community Involvement and Support

Participants indicated that fully effective community involvement and support includes the active participation of community and business leaders, local council involvement, and pro-active community networking. The implications of this issue include limited access to community resources, reduced community enthusiasm, and a dampened community spirit for economic development.

### Financial Investment Support

Many participants indicated that their community was experiencing a reduction in the number of commercial financial institutions available to support economic development. In addition, there was also an increase in the number of residents who were moving their financial investments (RRSPs, GICs, etc.) out of the community. The implications of this issue include reluctance by local investors to help to attract outside investment, a reduced pool of local investment funds, and an increase in local borrowing costs.

### Human Resources

Another important issue raised was the difficulty some communities faced in attracting adequate skilled human resources to meet the needs of existing businesses that were considering expansion, or new businesses considering locating within the community. While this is not a new issue, it is becoming a more critical issue for new business start-ups.

### Available Commercial Space

Many participants suggested that there was a lack of adequate commercial facilities available within their communities to meet the need of expanding and new business opportunities. With the high cost of new construction, communities that have an available inventory of commercial facilities often have an advantage. Some participants suggested that this issue may be connected to the lack of zoning flexibility and property annexation policies within their community.

## Category and Funding Restrictions within the CWLP

There was mixed concern about how certain 'eligibility' category definitions and funding guidelines have been a significant barrier for some CDC projects. While this issue did not receive a consensus within the group, certain participants had strong feelings about the restrictive nature of the programs' application to their community.

## Governments

There was also mild concern about how the lack of cooperation and coordination between the various governments (federal, provincial, municipal), and their respective economic development programs, has acted as a barrier to progressive business and community development.

## Other Issues

A number of other issues were raised but not fully discussed during the Workshop session, they included:

- ◆ Attracting clients
- ◆ Developing strategic alliances
- ◆ Inter-community cooperation and politics
- ◆ Limited entrepreneurial spirit within the community
- ◆ Understanding of economic well-being requirements
- ◆ Property boundaries and inter-community partnerships

## Issue Resolution Strategies

Workshop participants were asked to suggest possible strategies that a CDC could consider executing as a means of reducing the impact of each issue. The group was asked to suggest strategies without being hindered by budgets, timetables, jurisdictional factors, or practical application. The group volunteered strategies for the following five issues:

### Leadership and Board Effectiveness - Strategies

- Identify leadership candidates
- Develop a clear common vision for the CDC
- Empower the Board to properly guide the CDC
- Limit the political element of participation on the Board
- Clearly define roles, restrictions, and accountabilities
- Limit the number of Board members, but expand the cross section by geographical representation and skill
- Educate general citizens on what leadership qualities exist on the Board and the importance of the Board's role in economic development



### **Community Involvement and Support - Strategies**

- Increase communication
- Ensure fair and open representation
- Celebrate success in a public fashion
- Develop, share and promote the CDC vision
- Develop a community awareness of projects
- Ensure citizens appreciate their responsibilities
- Educate the community for a better understanding of economic development issues

### **Financial Investment Support Strategies**

- Lead a venture capital initiative
- Develop alternative funding sources
- Attract alternative solutions to funding
- Consider providing incentives for funding
- Develop a marketing and communications program outlining 'who we are'
- Create understanding of the loss that occurs if everyone is not involved

### **Available Commercial Space - Strategies**

- Annexation
- Encourage council to cooperate
- Develop a land and building use inventory
- Get involved in land use policy development
- Get involved in policy development within council
- Encourage landlords to become involved in supporting the CDC vision

### **Category and Funding Restrictions with the CWLP -Strategies**

- Develop lobbying program
- Argue for funding approvals at source
- Recruit stakeholder participation and collaboration
- Develop constructive alternatives for local consideration
- Educate the MRD of the CDC capability in each community
- Encourage more rural representation in program development
- Provide rural resource base for MRD, and help to reduce redundancy in administration

The Workshop participants had time to explore the execution of several strategies, by developing action plans, accountabilities, and budget considerations. While the results of this exercise did not produce any significant information for the development of a CDC model, they do provide some insight into the practical, cognitive thinking of CDC proponents. A summary of this information has been included in Appendix B.



## Model Components from Workshop

### Application of Findings to a Model

By identifying factors that participating CDCs considered essential to the mission statement and most likely to be a priority issue, it is possible to build the framework for a model CDC. This framework is the beginning of a process that could be used to define the ideal character and focus of a successful CDC. It should not be assumed that items covered in the Workshop that have *not* been included in this listing of components are not important. What has been captured in this exercise, at this time, are those factors which reflect the current state of the participating CDCs. As time and circumstances change, these factors also could change.

The following listing has been taken from the Workshop results. A similar exercise has been conducted with the results of the survey. All results have been combined and reported in the Executive Summary at the beginning of this report.

### Primary Functions

- Provide business assistance and support for new and expanding businesses.
- Provide a liaison service for economic activities and related agencies.
- Maintain a current awareness of regional activities, market trends, economic development statistics, and business opportunities.
- Promote the business opportunities and economic benefits for both internal and external audiences.
- Identify and encourage development of strategic alliances and partnerships that can accelerate economic development.
- Identify and help access investment capital as required to facilitate economic development.

### Activities

- Prospect for opportunities that will allow existing businesses to grow, and new ones to start.
- Evaluate and assess the environment for community economic development and business growth.
- Develop and distribute promotional materials and undertake public relations activities that promote the region.
- Help new and existing businesses secure investment and operating capital to meet their needs.
- Provide other business and community development assistance.

**Barriers**

- Limited local investor participation.
- Ineffective Board composition and poor participation.
- Lack of cohesive multi-level government support.
- Limited access to risk capital.

**Critical Success Factors**

- Common vision among key stakeholders.
- Strong community support.
- Clear local focus and value contribution.
- Adequate human resource skills.
- Adequate industrial facilities and services.

**APPENDIX A**

**COMMUNITY DEVELOPMENT CORPORATION**

**SURVEY AND COMPARATIVE RESPONSE SUMMARY**

Community Development Corporation  
Any Community, Manitoba  
U2R 4T0

September 6 1997

Dear

The Rural Development Institute at Brandon University working in partnership with Manitoba Rural Development, is a resource centre for rural communities and is actively engaged in researching issues impacting on the quality of life in rural communities. In the search for a better understanding of current issues there is a continued need to gather more information on successful rural economies.

Community Development Corporations (CDC's), established in many communities and planned in others, assist the community in promoting and developing the local economy. These objectives are set out in the community economic development, or Community Round Table action plans. CDC's participate in a wide range of activities, often in partnership with other community organizations or groups. Identifying the most successful of these activities and partnerships will help us better understand change made in the business base of the community. Determining investment sources and motivations for community development will also add to our previous understanding of local investment perception.

To achieve these objectives we need your help. Please review the enclosed questionnaire. You will be contacted in early September to arrange a convenient time for a telephone discussion to gather your responses.

We have engaged the services of SRP Management Consulting Associates to assist us in this research project, and one of their professionals will contact you to determine a convenient time for this discussion.

Thank you for your participation in this project, we look forward to sharing the results with you.

Rural Development Institute

Dr. R.C. Rounds, Director



## Introduction

This survey probes several issues related to the functioning of Community Development Corporations. By openly and honestly sharing observations of how your CDC operates, you will help us understand what can be done to improve the operations of all Community Development Corporations. Please be assured that all your responses will be kept strictly confidential.

### 1. The Functions of a Community Development Corporation (CDC)

A Community Development Corporation (CDC) can serve the community in various ways. Depending on community conditions, a CDC will typically assign higher priority to some functions than others. Below is a list of 9 roles that a CDC might play. Please rate the importance of each function in terms of the *actual operations* of your Community Development Corporation. To assign your rating, select the appropriate number between 1 and 7, using the scale provided.

- a) **Planning:** by preparing and maintaining an overall economic development strategy for the community.

Very Important		Moderately Important			Not Important	
1	2	3	4	5	6	7
Very Important		Moderately Important			Not Important	
CDCs	2.53					
Program	2.83					

- b) **Liaison:** by supporting the economic activities of agencies involved in community economic and business development.

Very Important		Moderately Important			Not Important	
1	2	3	4	5	6	7
Very Important		Moderately Important			Not Important	
CDCs	2.13					
Program	3.33					

- c) **Advocacy:** by providing input to municipal council on issues affecting business development.

Very Important		Moderately Important			Not Important	
1	2	3	4	5	6	7
Very Important		Moderately Important			Not Important	
CDCs	2.4					
Program	2.33					

- d) **Promotion:** by supporting the development of a community public relations program.

Very Important		Moderately Important			Not Important	
1	2	3	4	5	6	7
Very Important		Moderately Important			Not Important	
CDCs	2.67					
Program	2.83					

b) Are you aware of Community Lending Programs?

Yes     No

	<b>CDCs</b>	<b>Program</b>
Yes	93%	86%

c) Does your community have a Community Lending Program?

Yes     No

	<b>CDCs</b>	<b>Program</b>
Yes	71%	68%

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### 3. Business Development Outcomes

There are various signs that the business environment in a community is improving. Sometimes the business environment in a community improves as a result of CDC initiatives, and sometimes it improves as a result of factors beyond a CDC's control. Below is a list of measures that may indicate improved economic circumstances within a community.

a) For each measure, indicate whether or not there has been substantial improvement in your community within the last 3 years.

- Population growth  Yes     No
- Business tax growth  Yes     No
- Number of new companies  Yes     No
- Existing business expansion  Yes     No
- Employment increase  Yes     No
- New business prospect inquiries  Yes     No
- New business assistance applications  Yes     No
- New economic development partnerships and alliances  Yes     No

	Yes (%)	
	CDCs	Program
Population growth	27	36
Business tax growth	60	24
Number of new companies	73	45
Existing business expansion	87	34
Employment increase	73	27
New business prospect inquiries	80	78
New business assistance applications	53	58
New economic development partnerships and alliances	40	28

b) For those measures where a substantial improvement has occurred, indicate whether the CDC activities played a *significant role* in the outcome.

- Population growth  Yes  No
- Business tax growth  Yes  No
- Number of new companies  Yes  No
- Existing business expansion  Yes  No
- Employment increase  Yes  No
- New business prospect inquiries  Yes  No
- New business assistance applications  Yes  No
- New economic development partnerships and alliances  Yes  No

	Yes (%)	
	CDCs	Program
Population growth	75	14
Business tax growth	34	23
Number of new companies	73	24
Existing business expansion	50	28
Employment increase	50	25
New business prospect inquiries	82	31
New business assistance applications	100	53
New economic development partnerships and alliances	67	21

**4. Community Investment**

Establishing a new business within a community often involves substantial capital investments.

a) *Within the last 3 years*, has your community attracted a business or businesses that required third-party financial investment to get started?

Yes     No

	<b>CDCs</b>	<b>Program</b>
Yes (%)	80	37

b) If so, did a substantial proportion of the funding for this project come from local investors?

Yes     No

	<b>CDCs</b>	<b>Program</b>
Yes (%)	58	23

c) For each of the following pairs of adjectives, which term best characterizes the nature of these recent investments?

- Low Risk  or  High Risk
- Informal Networking  or  Formal Marketing
- Local Promoter  or  External Promoter
- Adequate Information  or  Limited Information
- Significant Local Job Creation  or  Insignificant Local Job Creation
- High Community Pride in Project  or  Low Community Pride in Project

	CDCs (%)	Program (%)
Low Risk	50	50
Informal Networking	83	52
Local Promoter	75	57
Adequate Information	82	60
Significant Local Job Creation	82	41
High Community Pride in Project	58	72

**5. Overall Assessment**

All things considered, how successful would you say your Community Development Corporation has been in fulfilling its mandate? Make your assessment by selecting the appropriate number between 1 and 7, using the following scale:

Very Successful	Moderately Successful	Very Unsuccessful
1	2    3    4    5	6    7
Very Successful	Moderately Successful	Very Unsuccessful
<b>CDCs</b>	4	
<b>Program</b>	4.25	



## 6. Local Conditions

The success of a Community Development Corporation can be affected by a variety of local community conditions. Some of these community conditions are listed below. Please rate how important each of these conditions was to the overall success of your CDC? Make your assessment by selecting the appropriate number between 1 and 7, using the scale provided.

a) Local versus regional focus

Very Important			Moderately Important		Not Important	
1	2	3	4	5	6	7

Very Important	Moderately Important	Not Important
CDCs 2.6		
Program 2.5		

b) Common vision among key stakeholders

Very Important			Moderately Important		Not Important	
1	2	3	4	5	6	7

Very Important	Moderately Important	Not Important
CDCs 2.47		
Program 2.17		

c) Sufficient community support

Very Important			Moderately Important		Not Important	
1	2	3	4	5	6	7

Very Important	Moderately Important	Not Important
CDCs 2.6		
Program 2.33		

d) Adequate human resources

Very Important			Moderately Important		Not Important	
1	2	3	4	5	6	7

Very Important	Moderately Important	Not Important
CDCs 3.07		
Program 2.67		

e) Adequate industrial facilities and services

Very Important			Moderately Important		Not Important	
1	2	3	4	5	6	7

Very Important	Moderately Important	Not Important
CDCs 3.29		
Program 2.67		

f) Presence and activities of other parallel agencies

Very Important			Moderately Important		Not Important	
1	2	3	4	5	6	7

Very Important	Moderately Important	Not Important
CDCs	3.6	
Program	3.17	

g) Other facilitating local conditions (please specify) \_\_\_\_\_

Very Important			Moderately Important		Not Important	
1	2	3	4	5	6	7

### 7. Suggested Improvements

Like most organizations, Community Development Corporations could improve their operations. Below is a list of factors that might affect the efficiency and effectiveness of a CDC. Rate the extent to which the operations of your CDC could be improved through changes in each of the following factors. Make your assessment by selecting the appropriate box using the following scale provided.

a) Board composition and participation

A Great Deal			Somewhat		Not At All	
1	2	3	4	5	6	7

A Great Deal	Somewhat	Not At All
CDCs	2.87	
Program	2.17	

b) Local investor participation

A Great Deal			Somewhat		Not At All	
1	2	3	4	5	6	7

A Great Deal	Somewhat	Not At All
CDCs	2.87	
Program	1.5	

c) Provincial government participation

A Great Deal			Somewhat		Not At All	
1	2	3	4	5	6	7

A Great Deal	Somewhat	Not At All
CDCs	3.07	
Program	2.17	

d) Federal government participation

A Great Deal			Somewhat		Not At All	
1	2	3	4	5	6	7

A Great Deal	Somewhat	Not At All
CDCs	3.13	
Program	2.17	

e) Regional partnerships and alliances

A Great Deal			Somewhat		Not At All	
1	2	3	4	5	6	7

A Great Deal	Somewhat		Not At All	
CDCs	2.67			
Program	2.5			

f) Other (please specify) \_\_\_\_\_

A Great Deal			Somewhat		Not At All	
1	2	3	4	5	6	7

*Thank you for taking the time to participate in this survey. If you have any other ideas you would like to share about the nature and operations of Community Development Corporations, please feel free to note them at the completion of the interview. As well, we are organizing a workshop to discuss issues of interest to CDCs. Please consider if you would like to join us and share your ideas.*

## Questionnaire/Interview List

CDC	Respondent	Title	Address	Phone
Carberry	Brian Ramsey	CDC Chair	P.O. Box 488 Carberry, MB R0K 0H0	(204) 834-3201
Beausejour/Brokenhead	Glen Lowery	Community Round Table Chairman	c/o Box 1330 Beausejour, MB R0E 0C0	(204) 268-1951
Dauphin	Miles Haverluck	CDC Chair	C-21 3rd Avenue NE Dauphin, MB R7N 0Y5	(204) 638-4602
Grandview	Ron Hillier	CDC Chair	P.O. Box 219, 436 Main St. Grandview, MB R0L 0Y0	(204) 546-2514
Rosburn & District	Louis Kurchaba	CDC Chair	P.O. Box 657 Rosburn, MB R0J 1V0	(204) 859-2594
Gilbert Plains	Eugene Dedio	CDC Chair	P.O. Box 669 Gilbert Plains, MB R0L 0X0	(204) 548-2477
Deloraine	Lionel Laval	CDC Chair	P.O. Box 76 Deloraine, MB R0M 0M0	(204) 747-2224
Killarney	Richard Verspeek	CDC Chair	P.O. Box 967 Killarney, MB R0K 1G0	(204) 523-4615
St. Jean Baptiste	Roger Barnabe	CDC Chair	P.O. Box 324, 166 rue Caron St. Jean Baptiste, MB R0G 2B0	(204) 737-2000
Morris	Jeffrey Wiebe	CDC Chair	P.O. Box 28 Morris, MB R0G 1K0	(204) 746-2451
Winkler	Henry Wiebe	CDC Chair	185 Main St. Winkler, MB R6W 1B4	(204) 325-8119
Arborg	Roger Huel	CDC Director	Box 159, 337 River Road Arborg, MB R0C 0A0	(204) 376-2647
Eriksdale	Dave McLelland	CDC Chair	P.O. Box 10 Eriksdale, MB R0C 0W0	(204) 739-2666
Fisher Branch	Dan Roche	CDC Director	P.O. Box 280 Fisher Branch, MB R0C 0Z0	(204) 372-6526
Churchill	Dahlton Grosbrink	CDC Chair	P.O. Box 399 Churchill, MB R0B 0E0	(204) 675-8863
Melita	Ron Nestibo	CDC Chair	P.O. Box 666 Melita, MB R0M 1L0	(204) 522-3361



## APPENDIX B

Community Development Corporation  
Community Round Table  
Any Community, Manitoba  
U2R 4T0

September 15, 1997

Dear

The Rural Development Institute at Brandon University, working in partnership with Manitoba Rural Development, is a resource centre for rural communities and is actively engaged in researching issues impacting on the quality of life in rural communities. In the search for a better understanding of current issues there is a continued need to gather more information on successful rural economies.

Community Development Corporations (CDC's), established in many communities and planned in others, assist the community in promoting and developing the local economy. These objectives are set out in the community economic development, or Community Round Table action plans. CDC's participate in a wide range of activities, often in partnership with other community organizations or groups. Identifying the most successful of these activities and partnerships will provide a greater success factor for all. By sharing your collective experience, everyone will gain information that should allow success.

Workshops for rural economic development proponents have been organized for October 7th in Selkirk and October 9th in Portage la Prairie. The workshop discussion will achieve a clearer understanding of the primary challenges faced by CDC's and also identify strategies for greater community success. Attached is an outline of the workshop preliminary agenda. Your participation, and that of others in your CDC or on your Community Round Table, would be greatly appreciated.

Please confirm your attendance by phone or fax as indicated on the workshop agenda. There is no cost to you for the workshop, and more than one person is welcome from each community.

Sincerely,

Dr. Richard C. Rounds  
Director, RDI

## **Workshop Agenda**

### **Stimulating Rural Development**

To identify the primary barriers to success as viewed by rural economic development proponents, particularly CDC proponents, and to develop some strategies for overcoming such barriers. Strategies should include a sense of 'who' needs to take 'what' action.

- |       |  |
|-------|--|
| 9:00  | Introduction, project overview, and session objectives   |
| 9:20  | Define the primary business development objective(s) (or mission) of a CDC. What does it provide? To whom? In what unique way?   |
| 10:15 | Refreshment break (in-room)  |
| 10:30 | Identify the key issues and barriers CDCs face in achieving the objective(s) (or mission)  |
| 11:30 | Prioritize the issues and barriers   |
| 12:00 | Lunch (in room)  |
| 12:45 | Starting with the first priority issue or barrier, develop possible strategies for resolving the issue or eliminating the barrier. Continue through as many issues and barriers as possible. |
| 2:45  | Refreshment break (in room)  |
| 3:00  | Starting with the first priority issue or barrier, develop preliminary action plans that identify suggested accountabilities, timeframes, and budgets.                                       |
| 4:00  | Wrap-up  |
| 4:30  | Departure  |

**Portage la Prairie Workshop  
October 9, 1997  
Participant List**

Name	Organization	Address	Fax	Phone
Rick Verspeek	KDCDC	Box 967 Killarney, MB	(204) 523-8894	(204) 523-4615
Stuart MacDonald	Dauphin Community Ec. Dev.	Unit C - #21 3rd Ave. NE Dauphin, MB	(204) 638-0879	(204) 638-9747
Henry Wiebe	SROC	Box 145 Winkler, MB	(204) 325-6310	(204) 325-8119
Robert Buck	Town of Grand Rapids CDC	Box 259 Grand Rapids, MB	(204) 639-8475	(204) 639-2260
Terry Lindell	Super 6-CFC Warren Chamber	Box 246 Warren, MB	(204) 322-5236	(204) 322-5672
Daryl Ritchie	Brandon Community Development Corp.	160 - 14th St. Brandon, MB	(204) 726-1543	(204) 727-0661
David Kalinchuk	Viriden Wallace CDC	Box 2166 Viriden, MB	(204) 748-2501	(204) 748-1628 1-800-405-1220
Wayne Gutscher	Town of Killarney	Box 1643 Killarney, MB	(204) 523-4534	(204) 523-4938
Percy V. Williams	Rural Econ. Dev. Comm. Econ. Dev. Ser.	103 - 235 Eaton Ave. Selkirk, MB	(204) 785-5155	(204) 785-5005
Wayne Nichol	RM Turtle Mountain	Box 1402 Killarney, MB		(204) 523-7164
Ron Funk	Carman & Community Development Corp.	Box 160 Carman, MB	(204) 745-6348	(204) 745-2675
Michelle Kirkbrice	Riverton Bifrost CDC	Box 10 Riverton, MB	(204) 378-5107	(204) 378-5106
Oscar Olson	Town of Grand Rapids	Box 236 Grand Rapids, MB	(204) 639-2286	(204) 639-2286
Lionel Laval	Deloraine	Box 488 Deloraine, MB	(204) 747-2754	(204) 747-2224

**LEADERSHIP AND BOARD EFFECTIVENESS ISSUE**

**Strategy 1**

Educate

<u>Action Plans</u>	<u>Accountability</u>	<u>Budget</u>
1. Workshops	External leadership and Local qualified individual	local gov't part local bus.
2. Media information articles, written editorials	Editor, Econ. Dev. Staff and CRT	local gov't part local bus.
3. School curriculum	Jr. Achieve, church, 4H	Local bus.

**Strategy 2**

Board Participation - Composition identifying leaders.

<u>Action Plans</u>	<u>Accountability</u>	<u>Budget</u>
1. From nominating committee	Org. group., CRT or parent organization	No
2. Coercion, persuasion	Community leaders, elected or otherwise	No
3. Identify skills necessary		
4. Change articles	Board, organizers, nominating Committee	Yes
5. Delegation	Board, stakeholders	Yes

**Strategy 3**

Clear vision - empowerment roles & responsibilities

<u>Action Plans</u>	<u>Accountability</u>	<u>Budget</u>
1. Board developments plan strategically	Board	
2. Define accountabilities		
3. Task force formed re: issue		



**COMMUNITY INVOLVEMENT AND SUPPORT ISSUE**

**Strategy 1**

Share vision

<u>Action Plans</u>	<u>Accountability</u>	<u>Budget</u>
1. Workshops/media - brainstorming	Board	

**Strategy 2**

Citizen responsibility

<u>Action Plans</u>	<u>Accountability</u>	<u>Budget</u>
1. Board, Idr, EDO, political Idr.		

**Strategy 3**

Representation

<u>Action Plans</u>	<u>Accountability</u>	<u>Budget</u>
1. Meetings with identifies organizations, those not participating	B o a r d CDO	

**Strategy 4**

Celebrations

<u>Action Plans</u>	<u>Accountability</u>	<u>Budget</u>
1. Openhouse - project sod project Recognition certif. turnings Media in attendance -project		

**AVAILABLE COMMERCIAL SPACE ISSUE**

**Strategy 1**

Determine what is available

<u>Action Plans</u>	<u>Accountability</u>	<u>Budget</u>
1. Collecting info.		
2. Drive around		
3. Contact realty organizations		
4. Collect data from assessment offices		

**Strategy 2**

Council co-operation

<u>Action Plans</u>	<u>Accountability</u>	<u>Budget</u>
1. Educate/document the case		
2. Cross pollination - representatives		

**Strategy 3**

Policy involvement

<u>Action Plans</u>	<u>Accountability</u>	<u>Budget</u>
1. Lead/form stakeholder group		
2. Planner on the board		

**Strategy 4**

Encouraging land lords

<u>Action Plans</u>	<u>Accountability</u>	<u>Budget</u>
1. Move it, bury it, paint		
2. Financial disincentives - external		